Removal of economically well off from P.D.S.

170. SHRI SURESH KALMADI: Will the Minister of CONSUMER AFFAIRS AND PUBLIC DISTRIBUTION be pleased to state:

(a) whether it is a fact that Government are considering removing the economically well off from the ambit of the public distribution system;

(b) whether there is a plan to provide more foodgrains to those who are below poverty line; and

(c) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS AND PUBLIC DISTRIBUTION (SHRI SHRIRAM CHAUHAN): (a) No, Sir.

(b) and (c) Under the Targeted Public Distribution System (TPDS) introduced in June, 1997, foodgrains are provided to the State/Union Territories at specially subsidised Central Issue Prices (CIP) for issue to the people living below poverty line (BPL) @ 10 kg. per family per month. The demand for increasing the entitlement of BPL families has been raised from various quarters. Consensus is needed for providing more foodgrains to BPL under TPDS given the constraints of limited availability of foodgrains and subsidy. The Government is engaged in discussions with the State Governments—no, decision, however, has been taken.

Effect of subsidy reduction of PDS and TPDS

171. SHRI DRUPAD BORGOHAIN: Will the Minister of CONSUMER AFFAIRS AND PUBLIC DISTRIBUTION be pleased to state:

(a) whether the Ministry of Finance off and on make it public that subsidy would be reduced and in certain cases removed; and

(b) if so, what would be the fall-out of such decisions on Public Distribution System and Targeted Public Distribution System?

THE MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS AND PUBLIC DISTRIBUTION (SHRI SHRIRAM CHAUHAN): (a) It is recognised that subsidies can be a powerful welfare-augmenting instrument of fiscal policy. However their beneficial potential is at its best when they are transparent, well targeted, and suitably designed for practical implementation. Untargeted subsidies promote inefficiency and induce a wastage of scarce resources. The Government of India administers subsidy reforms with a view to maximise their reach towards target population at minimum cost without leakages.

(b) Food subsidy has not been reduced or removed. However, with a view to improving and better targeting the Public Distribution System the Government is engaged in a process of consultations with the State Government/UT Administrations.

Effect of modernisation of sugar mills

†172. SHRI KAPIL SIBAL:
SHRI BALWANT SINGH RAMOOWALIA:

Will the Minister of CONSUMER AFFAIRS AND PUBLIC DISTRIBUTION be pleased to state:

(a) whether Government have gathered the possibilities of creating a situation where the sugar mills of the country can remain in competition in the international market forever after their modernisation;

(b) if so, what was the total number of sugar mills at the end of September, 1999 and the total expenditure likely to be incurred on their modernisation; and

(c) whether Government have any Reserve Fund under Sugar

*†Original notice of the question was received in Hindi.